

WBSC – World Baseball Softball Confederation

Pully

Report of the statutory auditors on the limited statutory examination of the financial statements 2022

(period from 01.01 to 31.12.2022)

10 May 2023
5/LR/SNE

Report of the statutory auditors on the limited statutory examination

WBSC – World Baseball Softball Confederation, Pully

As statutory auditor, we have examined the financial statements (balance sheet, statement of income and expenditure and notes) of WBSC – World Baseball Softball Confederation for the financial year ended 31 December 2022.

These financial statements are the responsibility of the Executive Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the Confederation's articles of incorporation.

Lausanne, 10 May 2023
5/LR/SNE

Fibexa SA société fiduciaire



Laurent Rigoli
Licensed audit expert
Auditor in charge



Stéphanie Neumann
Licensed audit expert

Enclosure: Financial statements and proposed appropriation of available earnings

World Baseball Softball Confederation, Pully**Balance sheet at December 31
(in CHF)**

	Notes	2022	2021
Assets			
Current assets			
Cash & cash equivalents		878'668	1'241'317
Trade receivables		4'886'448	2'421'909
<i>due from third parties</i>		5'017'635	2'530'213
<i>due from subsidiaries (postponed CHF 28'322)</i>		196'849	193'852
<i>accrual on doubtful debtors (third)</i>	-	131'187	- 108'304
<i>accrual on doubtful debtors (subsidiaries)</i>	-	196'849	- 193'852
Other receivables from partners		225'577	641'483
<i>due from third parties</i>		223'774	639'679
<i>due from subsidiaries</i>		1'804	1'804
Prepaid expenses and accrued income		16'877	31'838
Total current assets		<u>6'007'570</u>	<u>4'336'546</u>
Non-current assets			
Tangible fixed assets	4	15'752'470	16'401'652
Financial assets			
Guarantees		91'642	87'682
Loans		285'866	459'575
<i>due from subsidiaries (postponed CHF 721'678)</i>		1'007'543	1'215'822
<i>accrual on loan due from a subsidiary</i>	-	721'678	- 756'247
Other financial assets		1'895'408	2'497'294
Investments	3	92'747	94'116
./. Provision on a subsidiary	-	74'775	- 75'257
Total non-current assets		<u>18'043'359</u>	<u>19'465'061</u>
Total assets		<u>24'050'929</u>	<u>23'801'608</u>

World Baseball Softball Confederation, Pully

**Balance sheet at December 31
(in CHF)**

	Notes	2022	2021
Liabilities and funds			
Short term liabilities			
Trade payables		310'903	204'095
<i>due to third parties</i>		299'079	128'731
<i>due to subsidiaries</i>		11'824	75'364
Short term payables bearing interests		6'700'000	5'963'290
<i>due to third parties (bank fixed advances)</i>		6'000'000	5'260'000
<i>due to Swiss Government (Covid-19 loan)</i>		700'000	703'290
Other short term liabilities		184'674	230'504
<i>due to third parties</i>		184'674	230'504
Accrued expenses and deferred income		82'220	39'555
Total short term liabilities		<u>7'277'797</u>	<u>6'437'444</u>
Long term liabilities			
Swiss Government (Covid-19 loan)		<u>1'593'996</u>	<u>2'375'000</u>
Total long term liabilities		<u>1'593'996</u>	<u>2'375'000</u>
Total liabilities		<u>8'871'793</u>	<u>8'812'444</u>
Funds			
Profit carried forward	6	<u>15'179'135</u>	<u>14'989'164</u>
Total liabilities and funds		<u><u>24'050'929</u></u>	<u><u>23'801'608</u></u>

World Baseball Softball Confederation, Pully

**Statement of income and expenditure for the year ended
December 31
(in CHF)**

	Notes	2022	2021
Income			
WBSC membership fees		63'417	76'191
Partners	7	102'000	0
World tournaments		377'692	164'978
Premier 12 tournament income	8	6'135'350	5'610'600
TV rights		198'570	371'680
Licensing		118'009	138'671
IOC contributions		394'634	87'815
OG Tokyo 2020		0	202'373
Sponsoring		483'595	94'399
Financial income		31'409	168'218
Other incomes		98'156	140'705
- (Loss) / Profit on debtors	-	33'740	65'111
		<u>7'969'093</u>	<u>6'990'519</u>
Expenditure			
Payroll	-	2'015'098	2'042'894
Administration	9	2'238'450	2'108'785
Development programm	-	373'884	117'954
Competitions cost	-	641'690	285'940
Olympic reinstatement campaign	-	142'288	114'668
Commissions	-	27'706	14'174
Executive Committees	10	281'192	128'664
Congress and other conferences	-	318'581	0
Other expenditure	11	839'552	838'904
Depreciations	-	649'882	644'781
Financial expenses	-	194'719	97'229
New Office - expenses, taxes and financial interests	-	99'327	85'379
		<u>7'822'369</u>	<u>6'479'372</u>
Excess of income / (expenditure) for the year, before translation gain / (loss)			
		<u>146'724</u>	<u>511'146</u>
Exchange gain		235'531	196'344
Exchange (loss)	-	271'778	412'502
Excess of income / (expenditure) for the year, before extraordinary income / (expenses)			
		<u>110'477</u>	<u>294'988</u>
Provision on investment Base International SA - variation	-	2'997	5'786
Provision on a loan due from a subsidiary - variation		49'265	396'552
Extraordinary Revenue		33'227	36'589
Extraordinary income / (expenses)		<u>79'495</u>	<u>365'749</u>
Excess of income / (expenditure) for the year			
		<u>189'972</u>	<u>- 70'761</u>

Notes to the financial statements 2022
(in CHF)

1. Activity

The World Baseball Softball Confederation (WBSC) is the world-wide Baseball & Softball sports organization, the headquarters of which are located in Pully, Switzerland.

The main objectives of WBSC are to promote and encourage the development of Baseball & Softball in all possible manifestations throughout the world, to promote and encourage the development of international relations, to organise World Championships and WBSC events and to adopt rules for the various competitions.

2. Summary of significant accounting policies

2.1 Basis of accounting

WBSC is a not for profit association governed by the provisions of the Swiss Civil Code.

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013).

Various amounts of prior year have been reclassified in order to have comparative figures.

Income received for events to be held in the future are considered as income according to the contractual agreements and related invoices issued. Until and including 2019, such revenues were considered as deferred incomes in the balance sheet and therefore not recognised as income until the event for which the funds were received has taken place.

2.2 Accounting for foreign currencies

Exchange rates ruling at the year-end. Transactions denominated in currencies other than Swiss franc are recorded at monthly rates. All exchange losses and realised exchange gains are recognised in the statement of income and expenditure.

Closing rate	2022	2021
USD / CHF	0.92523	0.91114
EUR / CHF	0.98745	1.03615

2.3 Revenue recognition

Revenues for services provided are generally recorded when earned and collection is reasonably assured. Marketing & Media Rights revenues are recorded related to the contractual agreements and invoices issued.

2.4 Receivables

Trade receivables and other short-term receivables are carried at their nominal value. Impairment charges are calculated for these assets on an individual basis.

2.5 Investments

Investments are carried at their nominal value or purchase cost. Impairment charges are calculated for these assets on an individual basis.

Notes to the financial statements 2022
(in CHF)

	December 31, 2022	December 31, 2021
3. Investments		
Teammate Sport International s.r.l. - San Marino	Votings rights 70%	Votings rights 70%
Share capital : EUR 26'000		
BASE INTERNATIONAL SA - Pully	65%	65%
Share capital : CHF 65'000		
Game Time Societa Sportiva Dilettantistica Srl - Livorno (It)	99%	99%
Share capital : EUR 10'000		
4. Tangible fixed assets		
WBSC Headquarter	8'073'553	8'322'550
Headquarter renovation expenditure capitalized	7'081'856	7'376'933
Other tangible fixed assets	597'062	702'169
	<u>15'752'470</u>	<u>16'401'652</u>
5. Guarantees, other indemnities and assets pledged in favour of third parties		
Mortgage Titles	4'000'000	4'000'000
WBSC Headquarter (Pully)	15'155'408	15'699'483
6. Funds		
At beginning of year	14'989'164	15'059'924
Result of the year	189'972	- 70'761
At end of year	<u>15'179'135</u>	<u>14'989'164</u>
7. Partners		
NPB - Nippon Professional Baseball	72'000	0
KSOC - Korean Sport & Olympic Committee	30'000	0
	<u>102'000</u>	<u>0</u>

Notes to the financial statements 2022
(in CHF)

December 31,
2022

December 31,
2021

8. Premier 12

The Premier12 competition contract for the next editions -- as the major part of the WBSC growth strategy -- will significantly help the WBSC over the next years, especially in the short- and mid-term, resulting in sustained financial security, which will allow the WBSC to improve its overall operations and potential for increasing revenue generation and asset performance.

As Marketing & Media Rights contracts often foresee advance payments, revenues in connection with future Premier 12 tournaments (2023 and 2027 editions) are recognized as per contractual agreements and invoices issued, based on amounts invoiced.

The following table shows the revenue recognized for future Premier12 events.

Revenue

Premier 12 - 2023 and 2027	6'135'350	5'610'600
	<u>6'135'350</u>	<u>5'610'600</u>

Advanced payments related to future competitions

Premier 12 - 2023 and 2027	23'223'200	19'359'600
- Payments received in 2018	7'634'400	7'634'400
- Payments received in 2019	4'046'000	4'046'000
- Payments received in 2020	3'946'400	3'946'400
- Payments received in 2021	3'732'800	3'732'800
- Payments received in 2022	3'863'600	0
	<u>23'223'200</u>	<u>19'359'600</u>

9. Administration expenditure

Consultants and staff mandate	- 830'823	- 833'934
Communications	- 412'846	- 458'254
Rent and maintenance	- 233'472	- 255'293
Office supplies and other	- 282'495	- 182'322
Outsides services	- 223'914	- 215'042
Personnel travel expenses	- 254'900	- 163'940
	<u>- 2'238'450</u>	<u>- 2'108'785</u>

10. Executive Committee

Executive Members	- 220'571	- 99'472
Executive Director	- 49'503	- 13'359
Division Chairman	- 11'118	- 15'832
	<u>- 281'192</u>	<u>- 128'664</u>

Notes to the financial statements 2022
(in CHF)

	December 31, 2022		December 31, 2021
11. Other expenditure			
Olympic Games Tokyo 2020	0	-	346'372
New Project - Baseball 5	- 21'351	-	71'489
WBSC commercial projects	- 818'201	-	421'042
	<u>- 839'552</u>	-	<u>838'904</u>

12. Workforce

The number of full-time equivalents was between 10 and 50 on an annual average basis.

13. Pension liabilities

AXA Fondation LPP	27'815	0
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14. Additional information

The COVID-19 outbreak had developed rapidly in 2020, with a significant number of infections. Measures taken to contain the virus had affected economic activity and the WBSC business in various ways:

- Postponing of Events
- Postponing of Marketing & Media Rights revenues as events are postponed
- Implementation of New Projects are delayed

The entity applied for a government-supported loan of CHF 3.600.000, which was granted on 31.07.2020 at an interest rate of 0% for the first 500.000 CHF and 0,5% for the remaining amount. Rate conditions may be adapted to market developments on 31 March each year, the first time on 31 March 2022, according to the relevant requirements of the Swiss Federal Department of Finance. WBSC plans to repay the COVID-19 credit upon its financial capacity. During the duration of the use of COVID-19 credit, restrictions apply to the granting and repayment of loans to affiliated companies. In accordance with the provisions relating to loss of capital and/or over-indebtedness according to art. 725 CO, the COVID-19 credit guaranteed up to 500,000 francs is not considered as of the capital of third parties until 31 March 2022 (Art. 24 of the Ordinance on joint and several guarantees related to COVID-19).

In 2020, the entity also applied for short-shift working compensation (Kurzarbeitsentschädigung / indemnité en cas de réduction de l'horaire de travail) for the majority of the Lausanne based staff, which had been approved on 21.04.2020. Additional staff that was not entitled for short work voluntarily accepted a reduction of the payments for the same period.

15. Subsequent events

No significant event occurred between the end of the reporting period and the date of approval by the Executive Committee, which would result in an adjustment of these financial statements or require their disclosures at this point.

There is no other information to be disclosed as per article CO 959c (Swiss code of obligations).